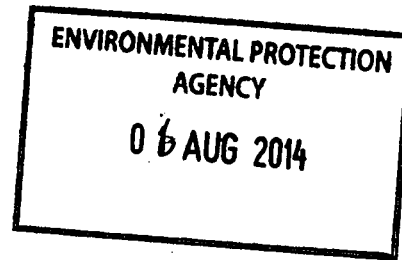




30 July 2014

Ms Ana Bolger
Programme Officer
Environmental Licensing
Environmental Protection Agency
PO Box 3000
Johnstown Castle Estate
Co. Wexford



**Re: Dublin Waste to Energy Project
Former Waste Licence now Industrial Emissions Licence Register Number W0232 - 01**

Dear Ms Bolger,

Dublin City Council (the "**Authority**") is the holder of a Waste Licence now deemed to be an Industrial Emissions Licence since 7 January 2014 for a Non-Hazardous Waste Incinerator/Waste-to-Energy Facility (the "**Licence**") in respect of the proposed Dublin Waste to Energy Facility at Poolbeg (the "**Facility**"). The Facility is being developed as a Public Private Partnership between the Authority and Dublin Waste to Energy Limited ("**DWTEL**").

Following financial close in respect of the project which is intended to take place on 31 August 2014 it is intended that all operational consents in respect of the Facility, including the Licence, will be transferred to DWTEL as owner and operator of the Facility. DWTEL is a special purpose vehicle established to enter into the PPP Project Agreement with the Authority and, pursuant to that Project Agreement, to design, build, own operate and maintain the Facility. The company details of DWTEL are set out in Attachment C of Waste/Licence Transfer Application Form enclosed with this letter at Schedule 1. DWTEL is currently a wholly owned subsidiary of Dublin Waste to Energy (Holdings) Limited ("**DWTEHL**"). As at the date of financial close, Covanta Energy Corporation ("**Covanta**") will hold a controlling interest in DWTEL through its wholly owned subsidiary DWTEHL, which in turn will hold 100% of the common shares in DWTEL.

We are pleased to note that financial close in respect of the Project is now imminent. Accordingly, we are writing to request written confirmation of your future approval for the proposed transfer of the Licence to DWTEL, with effect from 31 October 2014 (the "**Desired Transfer Date**"). Confirmation of this approval is required in advance, however, to allow financial close to take place.

Please note that the actual transfer of the Licence is contingent on the successful achievement of financial close. It would be inappropriate therefore for any transfer of the Licence to DWTEL to take place before the Desired Transfer Date and we would ask therefore that no transfer to DWTEL be made before that date and before the Authority confirms the successful achievement of financial close.

For completeness, please note that, as at the date of financial close, the sole ultimate shareholder of the Proposed Transferee will be Covanta Energy Corporation, the largest operator of waste to energy facilities in the world. Covanta Energy Corporation was founded in the US in 1960. It is a NASDAQ listed company, incorporated in Delaware and located in New Jersey, with a market capitalisation of approximately \$2.5 billion and an enterprise value of approximately \$4 billion. In 2012, it reported total operating revenue of US\$1,644million.

Enclosed Licence Transfer Application Form

We enclose a copy of our completed Waste/IE Licence Transfer Application Form, together with the required attachments (the "Application") for your kind immediate attention. In addition we confirm that a bank transfer in the amount of €5,000 has been effected to coincide with the sending of this letter to you.

We understand that, in principle, approval from the Office of Environmental Enforcement ("OEE") is required in respect of the Environmental Liability Risk Assessment ("ELRA"), Decommissioning/Closure Plan ("D/CP") and the related financial provision prior to submitting the Waste/IE Licence transfer application. However, we wish to draw your attention to Condition No. 12 and Condition No. 10 of the Licence in that regard. Specifically we refer to:

1. Condition No. 12.2 concerning financial provision for environmental liabilities. The Licence requires the Licensee to arrange for a comprehensive and fully costed ELRA for the Facility to be carried out by an appropriately qualified professional firm "prior to the acceptance of waste" [Condition 12.2.1]. In addition, again "prior to the acceptance of waste", the licensee is required to establish and maintain a fund, or provide a written guarantee, for the costs determined under Condition 12.2.1. The Licence provides that the type of fund established and means of its release/recovery shall be agreed by the Agency prior to its establishment [Condition 12.2.2].

DCC thus considers that no ELRA is required at this moment in time and further notes that no ELRA is available at this time. Notwithstanding this, preliminary estimates have been prepared for the purpose of the attached Application and we enclose these, for your information purposes only.

2. Condition No. 10.2.1 requiring preparation of the DMP/CRAMP "in advance of the commencement of the activity". The Facility will not be constructed and no waste will be commenced to be treated at the Facility before 2016.

DCC thus considers that no DMP/CRAMP is required at this moment in time and further notes that no DMP/CRAMP is available at this time. Notwithstanding this, preliminary estimates have been prepared for the purpose of the attached Application and we enclose these, for information purposes only. It is apparent therefore that the trigger for providing the relevant financial management provision is not intended to be an obligation on the Licensee until the acceptance of waste is imminent. It is therefore submitted that the approval of the OEE is not required at this stage for the purposes of the Agency's consent to the proposed transfer.

That said, we confirm that the necessary independent and appropriately qualified consultant will be retained to complete up-to-date and fully costed plans before commencement of any licensed activity. Licensed activities are not anticipated to take place at the site until 2017. These plans will include details of the necessary financial provision. We would be grateful, therefore, if you could review and approve as complete the Application as enclosed and submitted herewith.

Furthermore, we wish to confirm that it is currently expected that financial provision for ELRA will be satisfied by insurance and that financial provision for D/CP will be satisfied by funds that we have required the Proposed Transferee to reserve under its contractual obligations with the Authority.

We would be grateful if you could confirm as a matter of priority, that you are satisfied that the prior approval of the OEE with financial management provisioning is not required at this stage, as it will be addressed in detail at a later stage, prior to the commencement of waste acceptance at the Facility, in accordance with Condition No. 12.2 of the Licence.

Next Steps

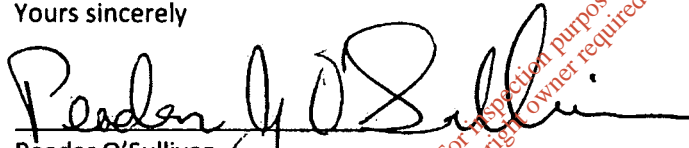
We would be extremely grateful if you could confirm to us in writing that you have reviewed the information in this letter and in the attached Application and that you are satisfied with the extent and content of the information contained therein.

As noted above, we would also be grateful if you could confirm that you are satisfied that the detailed treatment of the ELRA and D/CP can be addressed prior to the commencement of the licensed activities as contemplated within the Licence conditions, and do not require to be addressed at this proposed transfer stage.

Your confirmation on these matters is required for the banks to provide commitments to lend to the project, and so, for financial close to take place. In the particular circumstances of this case we would therefore be grateful if you could provide written confirmation at your earliest convenience of your satisfaction with the information contained in the attached application and that you will consent to the transfer of the Licence to DWTEL on the Desired Transfer Date, if the Authority confirms the successful achievement of Financial Close of the Project.

We look forward to hearing from you as soon as possible and very much appreciate your assistance with this. Should you have any questions arising out of the above or attached, please do not hesitate to contact me without delay on 01-222 4246. We would appreciate if you could deal with this as a matter of priority.

Yours sincerely


Peadar O'Sullivan,
Project Engineer,
Dublin Waste to Energy Project,
Dublin City Council.

Cc.

Mr Brian Meaney
Senior Inspector
Environmental Licensing
Environmental Protection Agency
PO Box 3000
Johnstown Castle Estate
Co. Wexford

Cc.

Mr Patrick Kenny
Inspector
Regional Enforcement
Office of Environmental Enforcement
McCumiskey House
Richview
Clonskeagh Road
Dublin 14.

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SCHEDULE 1

[Transfer Application Form]

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